

# Frequently Asked Questions for Medi-Share Members

## **What is the current status of Medi-Share in Kentucky?**

On Oct. 2, 2012, Franklin Circuit Court Judge Thomas Wingate ordered Medi-Share to “cease all operations in Kentucky unless and until it receives a certificate of authority or other applicable license from the Department of Insurance to transact their insurance business in the Commonwealth.” Medi-Share has not applied for a license to operate in the state.

## **As a Medi-Share member, how do I obtain new health insurance for my family?**

You should obtain replacement coverage immediately. For a list of health insurance companies authorized to do business in Kentucky’s individual market, please go to <http://insurance.ky.gov/Documents/IndHealthList030612.pdf>. You may want to contact an insurance agent in your area to assist.

If anyone in your family has access to insurance through an employer, you will want to contact the company’s human resources representative to discuss any options you might have in the group market.

## **What is “creditable coverage” and does this apply?**

When you leave a health plan, an insurance company will issue a certificate of creditable coverage. This serves as evidence to a new insurer of your prior coverage and, depending on the length of that coverage, may offset any pre-existing condition exclusion period under your new plan.

Since Medi-Share does not have a certificate of authority and was not operating legally in the state, it was considered to be an unauthorized insurer. However, in an effort to protect consumers, the Department of Insurance issued an advisory opinion in 2002 (<http://insurance.ky.gov/Documents/advop200203.pdf>) that a policy issued by an unauthorized insurer should count as creditable coverage.

It is important for Medi-Share members to obtain coverage as soon as possible to avoid a 63-day break in coverage since Medi-Share would no longer be considered creditable coverage after that time. The window to purchase with this protection began on Oct. 2, the date of the court order, and will end Dec. 3.

**Medi-Share states in all its material that it is not insurance. Why does the Department disagree?**

Since initially filing a lawsuit against Medi-Share in 2002, the Department has believed that the entity was offering insurance and was not exempt from state regulation. This position was upheld by the Kentucky Supreme Court in 2010 when it found that Medi-Share “fits comfortably” within the statutory definition of insurance and did not meet the requirements for an exemption from state regulation.

**What would Medi-Share need to do to operate legally in Kentucky?**

Under the order from Judge Wingate, Medi-Share must obtain the proper certificate of authority (or license) to operate in the state. Medi-Share would need to complete the appropriate application, meet certain capital and surplus requirements, submit a plan of operation and follow all the laws applicable to other health insurance companies operating in Kentucky. Other laws would include the prompt payment of claims, submitting rates for approval, an external appeals process to review claims denied by an insurer, etc.

*Last updated: 10-11-12*